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**PRIVILEGED AND CONFIDENTIAL
SETTLEMENT COMMUNICATION
PURSUANT TO FRE 408**

November 8, 2006

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VIA FACSIMILE (212-983-8421) & FIRST CLASS MAIL

Bernard Malina, Esq.
Malina & Associates, PC
60 East 42nd Street
New York, New York 10165

Re: Lyons Partnership, L.P. v. Carrie Feiner Enterprises and Carrie Feiner

Dear Mr. Malina:

I write in reference to our recent conversation and in response to your July 10, 2006 letter.

As I previously explained, we have clear and incontrovertible evidence of your clients' trademark and copyright infringement. First, as you can see in the attached e-mail sent by your clients to our investigator, your clients used the Barney[®] trademark without authorization numerous times to offer costume character services. Second, your clients' website (copies attached) contained at least two pictures of the infringing Barney costume – and in one of the pictures, Ms. Feiner is actually posing with the unauthorized costume! Your clients' liability is obvious.

Further, as we discussed, your purported statute of limitations and laches defenses will be ineffective should this matter go to litigation. The statute of limitations does not act as a bar to a plaintiff's trademark and copyright claims; instead, it merely limits damages to those infringements occurring within the limitations period. Given your admission that your clients have been using the infringing Barney costume since 1992 (a fact that will come out in discovery), you have guaranteed that your client will be liable for the damages for the full limitations period (six years for trademark infringement; three years for copyright infringement) on each claim raised by my client. Similarly, your proposed defense of laches will not bar my client's claim because the claim could not possibly arise until my client learned of your clients' infringement.

COWAN, DEBAETS, ABRAHAMS & SHEPPARD LLP

Bernard Malina, Esq.

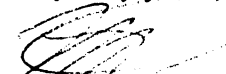
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In short, your clients have exposed themselves to substantial damages, and my client is intent on pursuing its claims against them. Your client has until Monday, November 13, 2006 to make a good faith settlement offer to avoid litigating this matter.

Nothing herein shall limit or be construed to limit any position, right or claim that Lyons Partnership, L.P. may have, all of which are expressly reserved.

Very truly yours,



Matthew A. Kaplan

Enclosures